

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE OPERATIONS AND)
MANAGEMENT OF MOUNTAIN WATER DISTRICT) CASE NO. 96-126

O R D E R

On April 7, 1997, Mountain Water District ("Mountain") filed a petition with the Commission which requested that its rates for water service be adjusted on an interim basis as permitted under KRS 278.190. In support of its request, Mountain has filed a letter from the Department of Agriculture Rural Development which indicates that Mountain is in technical default on its bond obligations due January 1, 1997 and its present rates will generate insufficient revenues to allow it to meet its bond obligations due July 1, 1997. Mountain's petition includes proposed rates, which it requested be placed in effect upon the filing of the petition pending further review by the Commission.

Based upon the representations in the petition and the ongoing review being conducted by the Commission in the instant case, the Commission finds that a hearing on Mountain's request for interim relief should be held April 23, 1997 at 9:00 a.m., Eastern Daylight Time. Mountain's proposed rates thus should not be placed in effect at this time.

IT IS ORDERED that:

1. A hearing shall be held on April 23, 1997, at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

2. Mountain's request to deviate "from any regulations related to the submission of a rate application, supporting documents, and public notices" is granted. This does not preclude the Commission from requesting additional information from Mountain as the need arises.

3. Mountain shall publish the notice, attached as an Appendix hereto, in a newspaper of general circulation in its water service area at least one time prior to the hearing date.

4. Mountain's request to place the proposed rates in effect at this time is denied.

Done at Frankfort, Kentucky, this 8th day of April, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-126 DATED APRIL 8, 1997

NOTICE

Mountain Water District has petitioned the Public Service Commission for interim rate relief to increase its rates for water service on an interim basis. The interim rate request will be considered by the Public Service Commission at a hearing to be held April 23, 1997 at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

The rates below are the rates proposed by Mountain Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than rates in this notice. Any customer or other interested person may appear at the public hearing and provide comments regarding Mountain Water District's request.

5/8 x 3/4 Inch Meter:

First 1,000 gallons @ \$ 13.00 - Minimum Bill.
All Over 1,000 gallons @ \$ 4.90 - per 1,000 gallons.

1-Inch Meter:

First 15,000 gallons @ \$ 81.60 - Minimum Bill.
All Over 15,000 gallons @ \$ 4.90 - per 1,000 gallons.

2-Inch Meter:

First 50,000 gallons @ \$253.10 - Minimum Bill.
All Over 50,000 gallons @ \$ 4.90 - per 1,000 gallons.

3-Inch Meter:

First 75,000 gallons @ \$375.60 - Minimum Bill.
All Over 75,000 gallons @ \$ 4.90 - per 1,000 gallons.

4-Inch Meter:

First 100,000 gallons @ \$498.10 - Minimum Bill.
All Over 100,000 gallons @ \$ 4.90 - per 1,000 gallons.

6-Inch Meter:

First 150,000 gallons @ \$743.10 - Minimum Bill.
All Over 150,000 gallons @ \$ 4.90 - per 1,000 gallons.